

Message Text

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INFO AMEMBASSY BONN

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AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

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C O N F I D E N T I A L SECTION 1 OF 2 LISBON 0143

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TAGS: PINT, PO

SUBJ: PORTUGAL'S PARTIES FACE THE FUTURE: THE SOCIALISTS

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SUMMARY: THE FOLLOWING CABLE IS THE FIRST IN A SERIES ON THE
PRINCIPLE PORTUGUESE POLITICAL PARTIES.

THE SOCIALIST PARTY, TOGETHER WITH THE PARTIES TO ITS RIGHT,
EMERGED FROM THE ABORTIVE NOV 25 COUP IN A STRENGTHENED POSITION.

IN THE FACE OF AN ACKNOWLEDGED TREND TO THE RIGHT, THE SOCIALISTS
HAVE SOUGHT TO REMAIN FIRMLY ASTRIDE THE CENTER OF THE POLITICAL
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SPECTRUM. THE PARTY'S PRE-ELECTORAL STRATEGY IS BASED UPON

HOLDING THE BROAD CENTRIST SUPPORT WON IN THE APRIL 1975 CONSTITUENT ASSEMBLY ELECTIONS WHILE ATTEMPTING TO MAKE INROADS INTO THE COMMUNIST WORKING CLASS SUPPORT. THE SOCIALISTS WILL USE THEIR TIES WITH WESTERN EUROPE FOR MAXIMUM DOMESTIC POLITICAL ADVANTAGE. THEY WILL ATTEMPT TO EXPLOIT CORDIAL RELATIONS WITH THE SPANISH AND ITALIAN COMMUNISTS TO EMBARRASS AND ISOLATE CUMHAL AND THE PORTUGUESE COMMUNIST PARTY. THE SOCIALISTS WILL, UNDER SOARES' STRONG AND EFFECTIVE LEADERSHIP, CARRY STRONG ASSETS INTO THE PRE-ELECTORAL PERIOD. THEIR LIABILITIES INCLUDE POLITICAL AND ECONOMIC REALITIES WHICH THE PARTY CAN ONLY MARGINALLY INFLUENCE. END SUMMARY

1. PRE-NOVEMBER 25 STATUS:

(A) PRIOR TO THE ABORTIVE COUP OF NOV 25, THE SOCIALIST PARTY (PS) WAS THE LEADING PARTY IN A POLITICAL SYSTEM DOMINATED BY THE ARMED FORCES. THE PS CLAIM TO LEADERSHIP RESTED PRIMARILY UPON THE PARTY'S STRONG PERFORMANCE IN THE APRIL 1975 CONSTITUENT ASSEMBLY ELECTIONS. THE PS WON 38 PERCENT OF THE VOTES CAST--40.7 PERCENT IF NULL AND BLANK VOTES ARE SUBTRACTED. THESE RESULTS, IN IMPRESSIVE 92 PERCENT VOTER TURNOUT, GAVE THE SOCIALISTS-- AND THE OTHER MAJOR POLITICAL PARTIES-- A CLAIM TO LEGITIMACY WHICH RIVALLED THE "REVOLUTIONARY LEGITIMACY" OF THE ARMED FORCES MOVEMENT.

(B) WITH THE EXCEPTION OF PRIME MINISTER VASCO GONCALVES' COMMUNIST-INCLINED FIFTH PROVISIONAL GOVERNMENT, THE PS PLAYED A ROLE IN PRE-NOV 25 GOVERNMENTS ROUGHLY COMMENSURATE WITH ITS ELECTORAL STRENGTH. THE OUSTER OF GONCALVES INCREASED THE RELATIVE IMPORTANCE OF THE PS. THE ENSUING AZEVEDO GOVERNMENT IS DOMINATED BY THE SOCIALISTS.

2. THE NOV 25 COUP:

(A) THE PS EMERGED AS ONE OF THE BENEFICIARIES IN THE POLITICAL REALIGNMENT FOLLOWING NOV 25. THE PS LEADERSHIP WAS IN CLOSE TOUCH WITH MELO ANTUNES AND THE "OPERATIONAL MILITARY" FROM THE FIRST SIGN A COUP MIGHT BE UNDERWAY. PS ACTIVISTS PLAYED AN IMPORTANT, THOUGH NOT DECISIVE, ROLE IN RALLYING PUBLIC SUPPORT IN FAVOR OF THE EFFORT TO PUT DOWN

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THE COUP ATTEMPT.

(B) BUT THE PS'S COMPETITORS ON THE RIGHT WERE ALSO STRENGTHENED. BOTH THE POPULAR DEMOCRATS (PPD) AND THE SOCIAL DEMOCRATIC CENTER (CDS) SAW THE CRUSHING OF THE COUP AS FURTHER EVIDENCE OF A SHIFT TO THE RIGHT.

(C) THE LEFT--THE MILITARY LEFT, THE FAR LEFT, AND THE

COMMUNIST PARTY(PCP)--WERE THE BIG LOSERS FROM THE EVENTS OF NOV 25. THE RESULT: INCREASED PRESSURES ON THE PS, BOTH FROM WITHIN AND OUTSIDE THE PARTY. ON THE ONE HAND, PRESSURES HAVE GROWN TO MOVE TO THE RIGHT TO TAKE ADVANTAGE OF WHAT EVEN PS LEADER SOARES ADMITS IS A MORE CONSERVATIVE TREND. BUT PRESSURES HAVE ALSO INCREASED FROM THE PARTY'S LEFT WING, INTENT UPON PREVENTING ANY MOVE TO THE RIGHT. THE PARTY MUST ALSO REMAIN WARY OF A RESURGENCE OF THE LEFT, ESPECIALLY THE PCP.

3. POST-NOV 25 POLITICAL STRATEGY:

(A) IN THE FACE OF AN ACKNOWLEDGED TREND TO THE RIGHT, THE PS HAS SOUGHT TO MAINTAIN A POSITION FIRMLY ASTRIDE THE CENTER OF THE POLITICAL SPECTRUM. THE PARTY'S PRE-ELECTORAL STRATEGY IS BASED ON HOLDING THE BROAD SUPPORT WON IN THE APRIL 1975 ELECTIONS WHILE ATTEMPTING TO MAKE INROADS INTO PCP WORKING CLASS SUPPORT. A KEY ELEMENT IN THE STRATEGY IS KEEPING BOTH THE POPULAR DEMOCRATS AND THE COMMUNISTS IN THE GOVERNMENT UNTIL THE ELECTIONS. THE PS RECENTLY REAFFIRMED THAT IT WOULD NOT REMAIN IN A GOVERNMENTAL COALITION ALONE WITH EITHER THE PPD OR THE PCP. PS LEADERS HOPE TO SPREAD THE RESPONSIBILITY FOR THE POLITICALLY UNPOPULAR AUSTERITY MEASURES TO COME.

(B) PARTY LEADERSHIP AT THE TOP LEVEL IS VERY STRONG. MARIO SOARES HAS PROVEN, DESPITE HIS UNIMPRESSIVE PHYSICAL APPEARANCE, TO BE A REMARKABLY EFFECTIVE POLITICIAN. SOARES HAS ASSIDUOUSLY

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CULTIVATED HIS INTERNATIONAL CONTACTS TO THE POINT THAT HE HAS BECOME A CLOSE FRIEND OF ALL THE MAJOR WESTERN EUROPEAN SOCIALISTS AND SOCIAL DEMOCRATIC LEADERS. THIS HAS RESULTED IN STRONG MORAL AND FINANCIAL SUPPORTS FROM THESE LEADERS AND CONSIDERABLE PRESTIGE FOR SOARES AT HOME.

(C) BELOW SOARES, SALGADO ZENHA COMES ACROSS AS A STRONG RIGHT HAND AD PERSONALITY IN HIS OWN RIGHT, BUT TOTALLY LOYAL TO SOARES. ZENHA, WHO COURAGEOUSLY BECAME THE FIRST MAJOR POLITICAL LEADER TO OPENLY ATTACK THE COMMUNISTS, IS A ATTRACTIVE AND WELL KNOWN FIGURE. HS IMPECCABLE ANTI-SALAZAR PAST WILL AQSO ATTRACT ANTI-COMMUNIST VOTES.

(D) IN THE THIRD RANK OF LEADERSHIP, SOCIALIST HAVE A STRONG
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TEAM INCLUDING, JORGE COMPINOS, LOPES CARDOSO, SOTTOMAYOR CARDIA, MANUEL ALEGRE, AND HENRIQUE DE BARROS, THE HIGHLY RESPECTED PRESIDENT OF THE CONSTITUENT ASSEMBLY AND A VIABLE CIVILIAN CANDIDATE FOR PRESIDENT.

(E) SOARES, WITH THE FAR LEFT OF THE UPARTY UNDER MANUEL SERRA HAVING MARCHED OFF INTO THE INEFFECTIVE POPULAR SOCIALIST FRONT (FSP), FACES NO SERIOUS INTERNAL CHALLENGES WITHIN THE PARTY.

4. THE PARTY AND THE MILITARY:

(A) THE SOCIALISTS FAILED INITIALLY FOLLOWING THE APRIL 1974 REVOLUTION TO DEVOTE SUFFICIENT ATTENTION TO RELATIONS WITH THE ARMED FORCES. THE PARTY HAS WORKED HARD TO CORRECT THIS DEFICIENCY. THE PS STRONGLY SUPPORTED MELO ANTUNES AND THE GROUP OF NINE IN THEIR EFFORTS TO GET RID OF VASCO GONCLAVES. THE PARTY'S EFFORTS TO CULTIVATE RELATIONS WITH THE MILITARY ARE NOW PAYING OFF.

(B) DESPITE THESE IMPROVED RELATIONS, THE PS HAS NEVER BEEN COMFORABLE WITH THE AFM. THE PARTY WENT ALONG WITH AFM

LEADERSHIP LARGELY BECAUSE IT HAD LITTLE CHOICE. IT, LIKE THE OTHER DEMOCRATIC PARTIES, AGREED "UNDER DURESS" TO THE CONSTITUTIONAL PACT WITH THE AFM AS THE PRICE FOR CONSTITUENT ASSEMBLY ELECTIONS. IT HOPED THEN, AS IT HOPES NOW, THAT ELECTIONS WOULD GENERATE SUFFICIENT MOMENTUM TO MOVE THE POLITICAL SYSTEM AWAY FROM MILITARY DOMINATION.

(C) THE PS IS IN THE FOREFRONT OF THE CURRENT DRIVE TO SECURE A REVISION OF THE PLATFORM OF UNDERSTANDING WITH THE AFM. THE PARTY'S BASIC AIM IS TO GET THE MILITARY OUT OF POLITICS. BUT THE PS LEADERSHIP IS REALISTIC ENOUGH TO KNOW THAT THIS GOAL IS UNLIKELY TO BE ACHIEVED IN THE SHORT RUN. THEREFORE, THE PARTY HAS SOUGHT TO CONVINCE THE MILITARY LEADERSHIP, PARTICULARLY THE "OPERATIONAL MILITARY", THAT THE ARMED FORCES' PROPER ROLE IS "GUARANTOR" OF THE REVOLUTION RATHER THAN REVOLUTIONARY VANGUARD. IN ADDITION TO SHARPLY REDUCING THE POLITICAL ROLE OF THE REVOLUTIONARY COUNCIL, THE PRINCIPLE REVISION IN THE PACT SOUGHT BY THE PS IS PROVISION FOR DIRECT ELECTION OF THE PRESIDENT.

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5. THE PARTY AND THE ECONOMY:

(A) THE DOWNWARD SPIRAL IN THE ECONOMY IS FAST BECOMING THE PRINCIPLE CONCERN OF THE PARTY LEADERSHIP. ALTHOUGH PS LEADERS' CONCERNS ARE HIGHLY POLITICAL IN ORIENTATION, THEY RECOGNIZE THAT UNLESS THE ECONOMIC PROBLEMS OF THE NATION ARE DEALT WITH, AND PROMPTLY, THE ECONOMY WILL DRAG THE COUNTRY DOWN. THE PS CONTROLS THE KEY ECONOMIC MINISTRIES. THEY REALIZE THAT IMPLEMENTATION OF A RIGOROUS ECONOMIC AUSTERITY PROGRAM NOW COULD SPELL DEFEAT AT THE POLLS IN THE UPCOMING ELECTIONS. THE PARTY THUS FACES A DILEMMA. IF IT MOVES VIGOROUSLY TO IMPLEMENT AUSTERITY MEASURES, IT WILL PAY A PRICE AT THE POLLS.

(B) THE PS'S THEORETICAL INSPIRATION IS MARXISM. BUT, AS MARIO SOARES RECENTLY TOLD SENATOR MCGOVERN, IT WOULD BE WRONG TO CONSIDER THE PS A "MARXIST PARTY" (REF B). THE PARTY'S APPROACH IS PRAGMATIC. ITS ECONOMIC THEORETICIANS ARE NOT DOCTRINAIRE. THEY RECOGNIZE THE NEED TO GENERATE SAVINGS AND INVESTMENT AND THE NEED FOR FOREIGN SUPPORT AND A STRONG PRIVATE SECTOR.

6. FUTURE PROSPECTS:

(A) THE PS APPROACHES THE PRE-ELECTORAL PERIOD IN A STRENGTHENED POSITION BUT FACING SERIOUS CHALLENGES. IT MUST COME TO GRIPS WITH THE HARSH REALITIES OF ATTEMPTING TO SET THE NATION'S ECONOMY RIGHT FOR THE UPCOMING ELECTIONS. THE PREFERRED PS STRATEGY MEASURES UNTIL AFTER THE ELECTIONS. IT

WILL SEEK TO SHARE RESPONSIBILITY FOR THOSE MEASURES WHICH CANNOT BE AVOIDED BY KEEPING BOTH THE PPD AND THE PCP IN THE GOVERNMENT.

(B) THE PS PREELECTORAL STRATEGY IS BASICALLY A STRATEGY OF THE LEFT: TO HOLD ITS CENTRIST POSITION WHILE ERODING PCP SUPPORT. IT WILL BOW TO THE TREND TO THE RIGHT BY EMPHASIZING THEMES OF PROVEN POPULAR (AND CONSERVATIVE) APPEAL, E.G., INDIVIDUAL LIBERTIES, RELIGIOUS FREEDOMS, AND THE SANCTITY OF PRIVATE PROPERTY. IT WILL PLAY ITS WESTERN EUROPEAN TIES FOR MAXIMUM DOMESTIC POLITICAL IMPACT. CORDIAL RELATIONS WITH THE SPANISH AND ITALIAN COMMUNIST PARTIES WILL BE WXPLOITED TO UNDERScore THE DIFFERENCE BETWEEN THESE PARTIES AND CUNHAL'S PCP.
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SOARES WILL CONTINUE A HEAVY INTERNATIONAL TRAVEL SCHEDULE AS AS ADJUNCT TO THE PS ELECTORAL CAMPAIGN. AT THE SAME TIME, THE PS WILL DO WHAT IT CAN TO CONVINCE ITS FELLOW MEMBERS OF THE SOCIALIST INTERNATIONAL TO WITHHOLD SUPPORT FOR THE PS'S RIVALS ON THE RIGHT, THE PPD AND CDS.

(C) THE PS CARRIES WITH TI STRONG ASSESTS. IT BOASTS THE ONLY TRULY NATIONAL ORGAINIZATION. IT HAS DEMONSTRATED BROAD, POPULAR APPEAL. IT HAS EXPERIENCED CAPABLE LEADERSHIP AT THE TOP LEVELS. IT HAS MAINTAINED ITS INTERNAL UNITY IN THE FACE OF PRESSURE FROM BOTH RIGHT AND LEFT. IT HAS STRONG FINANCIAL SUPPORT, PARTICULARLY FROM WESTERN EUROPE. IT HAS SELF CONFIDENCE. ITS LIABILITIES INCLUDE POLITICAL AND ECONOMIC REALITIES WHICH IT CAN ONLY MARGINALLY INFLUENCE. THESE INCLUDE: ASSOCIATION WITH A POLITICALLY UNPOPULAR AUSTERITY PROGRAM; A RIGHTWARD SWING OF THE POLITICAL PENDULUM, THE DIMENSIONS OF WHICH ARE NOT YET CLEAR; AN THE THREAT OF A RESURGENCE BY THE PCP-LED LEFT. THE PS LEADERSHIP IS OPTIMISTIC.
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